

The subjoined comparative table will give at a glance some general idea of the progressive advance of the departments; still, it is but right to state that some of the material from which it has been formed is not of a character to fit it for the purposes of very rigid comparison.

	Number of Post Offices.	Number of Miles of route.	Number of Miles travelled Inland.	Number of Letters.		Revenue.			Expenditure.		
				Received.	Despatched.	£	s.	d.	£	s.	d.
1859						7,833	10	4	33,898	17	9
1860						10,066	15	11	39,587	14	0
1861						14,125	13	2	36,936	12	0
1862	227	2769		1,021,735	1,098,448	23,110	14	3	57,128	12	6
1863	282	3092	670,280	1,689,945	1,715,435	32,341	7	8	110,567	4	8
1864	295	3615	676,507	2,112,771	2,120,849	39,198	9	10	147,577	3	6

It should also be mentioned that the columns of *Revenue* and *Expenditure* will not correspond with those which have appeared in previous reports, because, the former returns embraced those sums which had been audited only, but did not include all those which had been paid. For the information contained in the last two columns, and in some of the tabulated statements in the Appendix, in connection with the revenue and expenditure, I am much indebted to the Treasury Department, whose officers have most obligingly re-examined and re-adjusted the past expenditure in order to furnish the information which was deemed necessary for purposes of comparison.

The *Mails* are principally conveyed Inter-Provincially by subsidized steam vessels; and inland, by coach or on horseback. There is no conveyance of mails by railroad, except for four miles of the road between Lyttelton and Christchurch, in the Province of Canterbury, nor is there any conveyance by boat or small craft, except on the northern part of Auckland and bordering on Cook's Straits.

The postal accommodation of the Province of Auckland, as regards *buildings*, is of a very unsatisfactory character, but this will shortly be rectified by the erection of a building which is now under consideration. A new and convenient Post Office has been erected during the year at Nelson, at an expense of about £2000. A substantial stone building is now in course of erection at Dunedin, which will cost £20,000. A house is rented at Christchurch for postal purposes, but it is hoped that the increasing requirements of the Province will immediately necessitate the erection of a more convenient building. The other Provinces are, for the present, sufficiently provided with office accommodation.

#### REVENUE AND EXPENDITURE.

The disproportion between the Postal Revenue and Expenditure of the Colony, the latter being nearly four times greater than the former, is a subject requiring the gravest consideration. While freely acknowledging that it should be an object of paramount importance with the Government to grant the freest communication and at the least cost to the public, it cannot be claimed that this boon should be attained by taxation in other than in a postal form. If it be undesirable to obtain a surplus postal revenue, which is obtained in Great Britain where it is one-third more than the expenditure; or, not necessary to endeavor to approximate too rigidly towards an equilibrium, which appears to be the state in Victoria, still the course adopted by New Zealand is, without doubt, one which is open to the most serious objection. The Post Office, like all other establishments, should at least pay its way. With the desire of ascertaining the causes which create this disproportion, and having in view the application of a remedy, it will be necessary to analyse the sources of revenue and expenditure, and then to suggest those remedial measures which may at least partially meet the case.

The Postal Revenue for the year 1864, amounted to £39,198 9s. 10d., of which the sum of £37,596 18s. 10d., was received principally from the sale of postage stamps, and the sum of £1601 11s. 0d. as commission on the issue of Money Orders. The expenditure during the same period amounted to the sum of £147,577 3s. 6d., thus leaving the difference, viz., £103,378 13s. 8d., to be provided for by taxation in some other form. The items of expenditure may be concisely classed as follows:—

	£	s.	d.
1. Staff of Central Department .....	1653	10	7
2. Salaries to Provincial Officers .....	23,725	5	3
3. Contingencies in Central Department .....	1481	8	4